## Senate Study Bill 1164 - Introduced

SEN	ATE FILE
ВУ	(PROPOSED COMMITTEE
	ON COMMERCE BILL BY
	CHAIRPERSON SCHULTZ)

## A BILL FOR

- 1 An Act relating to Medicaid program processes and oversight.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 DIVISION I

- 2 MEDICAID PROGRAM PROCESSES AND OVERSIGHT
- 3 Section 1. MEDICAID PROGRAM CLEAN CLAIMS PROVIDER RATE
- 4 CHANGES CLAIMS TRACKING.
- 5 l. For the purposes of this section, "clean claim" means
- 6 a claim that has no defect or impropriety including any
- 7 lack of required substantiating documentation or particular
- 8 circumstance requiring special treatment that prevents timely
- 9 payment of the claim. "Clean claim" does not include a claim
- 10 from a provider that is under investigation for fraud or abuse
- ll or a claim under review for medical necessity.
- 12 2. a. The department of human services shall require
- 13 that Medicaid managed care organizations process and pay
- 14 participating provider claims for each distinct provider type
- 15 in accordance with the following:
- 16 (1) Ninety percent of clean claims shall be accurately
- 17 paid or denied within fourteen calendar days of receipt by the
- 18 Medicaid managed care organization.
- 19 (2) Ninety-five percent of clean claims shall be accurately
- 20 paid or denied within twenty-one calendar days of receipt by
- 21 the Medicaid managed care organization.
- 22 (3) One hundred percent of clean claims shall be accurately
- 23 paid or denied within thirty calendar days of receipt by the
- 24 Medicaid managed care organization.
- 25 b. The date of receipt of the clean claim shall be
- 26 based on the documented transmission date as reported by
- 27 the clearinghouse or the Medicaid managed care organization
- 28 transmission system.
- 29 3. A Medicaid managed care organization shall have
- 30 thirty calendar days from receipt of notice from the
- 31 department of human services of a change in a provider rate to
- 32 accurately input the new rate into the Medicaid managed care
- 33 organization's payment system and to reprocess and pay any
- 34 affected claims.
- 35 4. A Medicaid managed care organization shall provide the

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- 1 Medicaid managed care organization's participating providers
- 2 with the functionality to submit and track all claims, claim
- 3 disputes, claim reconsiderations, and appeals on the Medicaid
- 4 managed care organization's internet site to facilitate
- 5 participation in an open and shared participating provider
- 6 record.
- 7 DIVISION II
- 8 MEDICAID PROVIDER CREDENTIALING
- 9 Sec. 2. MEDICAID PROGRAM USE OF UNIFORM AUTHORIZATION
- 10 CRITERIA AND SINGLE CREDENTIALING VERIFICATION ORGANIZATION.
- 11 1. The department of human services shall utilize a request
- 12 for proposals process to procure the services of a single
- 13 credentialing verification organization to be utilized by
- 14 the state in credentialing and recredentialing providers for
- 15 both the Medicaid managed care and fee-for-service payment and
- 16 delivery systems.
- 17 2. The department shall contractually require all Medicaid
- 18 managed care organizations to accept verified information from
- 19 the single credentialing verification organization procured
- 20 by the state, and to approve as a participating provider any
- 21 provider approved and enrolled by the department as an Iowa
- 22 Medicaid provider utilizing the credentialing verification
- 23 system.
- 24 3. The department shall contractually prohibit all
- 25 Medicaid managed care organizations from requiring additional
- 26 credentialing information from a provider approved and enrolled
- 27 by the department as an Iowa Medicaid provider in order to
- 28 be a participating provider in the Medicaid managed care
- 29 organization's provider network.
- 30 EXPLANATION
- 31 The inclusion of this explanation does not constitute agreement with
- 32 the explanation's substance by the members of the general assembly.
- 33 This bill relates to Medicaid program processes and
- 34 oversight.
- 35 Division I of the bill relates to Medicaid program clean

- 1 claims, provider rate changes, and claims tracking. The
- 2 division defines "clean claim" for the purposes of the
- 3 division. The bill directs the department of human services
- 4 (DHS) to require that a Medicaid managed care organization
- 5 (MCO) process and pay participating provider claims for each
- 6 distinct provider type in accordance with the following: 90
- 7 percent of clean claims shall be accurately paid or denied
- 8 within 14 calendar days, 95 percent of clean claims shall be
- 9 accurately paid or denied within 21 calendar days, and 100
- 10 percent of clean claims shall be accurately paid or denied
- 11 within 30 calendar days, of receipt by the MCO. The date of
- 12 receipt of the clean claim shall be based on the documented
- 13 transmission date as reported by the clearinghouse or the MCO
- 14 transmission system.
- 15 Division I provides that an MCO shall have 30 calendar days
- 16 from receipt of notice from DHS of a change in a provider rate
- 17 to accurately input the new rate into the MCO's payment system
- 18 and to reprocess and pay any affected claims.
- 19 Division I requires an MCO to provide the MCO's
- 20 participating providers with the functionality to submit and
- 21 track all claims, claim disputes, claim reconsiderations, and
- 22 appeals on the MCO's internet site to facilitate participation
- 23 in an open and shared participating provider record.
- 24 Division II of the bill relates to the use of uniform
- 25 authorization criteria and a single credentialing verification
- 26 organization by the Medicaid program. The division
- 27 requires DHS to utilize a request for proposals process to
- 28 procure the services of a single credentialing verification
- 29 organization to be utilized by the state in credentialing and
- 30 recredentialing providers for both the Medicaid managed care
- 31 and fee-for-service payment and delivery systems. DHS shall
- 32 contractually require all MCOs to accept verified information
- 33 from the single credentialing verification organization
- 34 procured by the state, and to approve as a participating
- 35 provider any provider approved and enrolled by the department

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- 1 as an Iowa Medicaid provider utilizing the credentialing
- 2 verification system. DHS shall also contractually prohibit all
- 3 MCOs from requiring additional credentialing information from
- 4 a provider approved and enrolled by the department as an Iowa
- 5 Medicaid provider in order to be a participating provider in
- 6 the MCO's provider network.